

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1995

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SENATE BILL 453

Short Title: Teacher Scholarship Program Changes.

(Public)

Sponsors: Senators Lucas, Edwards, Allran, Parnell, Hobbs, Speed, Warren, Ballance, Albertson, Dannelly, Jordan, Gulley, Odom, Winner, Foxx, McDaniel, and McKoy.

Referred to: Education/Higher Education

March 22, 1995

A BILL TO BE ENTITLED

AN ACT TO MAKE CHANGES IN THE PROSPECTIVE TEACHERS
SCHOLARSHIP LOAN PROGRAM.

The General Assembly of North Carolina enacts:

Section 1. G.S. 115C-471 reads as rewritten:

**"§ 115C-471. Fund administered by State Superintendent of Public Instruction;
rules and regulations.**

The Scholarship Loan Fund for Prospective Teachers shall be administered by the State Superintendent of Public Instruction, under rules adopted by the State Board of Education and subject to the following directions and limitations:

- (1) Any resident of North Carolina who is interested in preparing to teach in the public schools of the State may apply in writing to the State Superintendent of Public Instruction for a regular scholarship loan in the amount of not more than ~~two thousand dollars (\$2,000)~~ two thousand five hundred dollars (\$2,500) per academic school year. An applicant who has been employed for at least one year as a teacher assistant and who is currently employed as a teacher assistant may apply for a scholarship loan from funds earmarked for teacher assistants in the amount of not

- 1 more than one thousand two hundred dollars (\$1,200) per academic
2 school year.
- 3 (2) All scholarship loans shall be evidenced by notes made payable to the
4 State Board of Education that bear interest at the rate of ~~six percent (6%)~~
5 ten percent (10%) per annum from and after September 1 following
6 fulfillment by a prospective teacher of the requirements for a certificate
7 based upon the entry level degree; or in the case of persons already
8 teaching in the public schools who obtain scholarship loans, the notes
9 shall bear interest at the prescribed rate from and after September 1 of
10 the school year beginning immediately after the use of the scholarship
11 loans; or in the event any such scholarship is terminated under the
12 provisions of subdivision (3) of this section, the notes shall bear interest
13 from the date of termination. A minor recipient who signs a note shall
14 also obtain the endorsement thereon by a parent, if there be a living
15 parent, unless the endorsement is waived by the Superintendent of
16 Public Instruction. The minor recipient shall be obligated upon the note
17 as fully as if the recipient were of age and shall not be permitted to
18 plead such minority as a defense in order to avoid the obligations
19 undertaken upon the notes.
- 20 (3) Each recipient of a scholarship loan under the provisions of this
21 program shall be eligible for scholarship loans each year until the
22 recipient has qualified for a certificate based upon the entry level
23 degree, but the recipient shall not be so eligible for more than the
24 minimum number of years normally required for qualifying for the
25 certificate. The permanent withdrawal of any recipient from college or
26 failure of the recipient to do college work in a manner acceptable to the
27 State Superintendent of Public Instruction shall immediately forfeit the
28 recipient's right to retain the scholarship and subject the scholarship to
29 termination by the State Superintendent of Public Instruction in the
30 Superintendent's discretion. All terminated scholarships shall be
31 regarded as vacant and subject to being awarded to other eligible
32 persons.
- 33 (4) Except under emergency conditions applicable to the State
34 Superintendent of Public Instruction, recipients of scholarship loans
35 shall enter the public school system of North Carolina at the beginning
36 of the next school term after qualifying for a certificate based upon the
37 entry level degree or, in case of persons already teaching in the public
38 schools, at the beginning of the next school term after the use of the
39 loan. All teaching service for which the recipient of any scholarship
40 loan is obligated shall be rendered by August 31 of the seventh school
41 year following graduation.
- 42 (5) For each full school year taught in a North Carolina public school, the
43 recipient of a scholarship loan shall receive credit upon the amount due

1 by reason of the loan equal to the loan amount for a school year as
2 provided in the note plus credit for the total interest accrued on that
3 ~~amount; provided, however, that in~~ amount. Also, the recipient of the loan
4 shall receive credit upon the total amount due by reason of the loan
5 equal to the loan amount for four school years if the recipient teaches
6 for three consecutive years, unless the recipient takes an approved leave
7 of absence, at a North Carolina public school that, at the time the
8 recipient accepts employment with the local school administrative unit,
9 is a low performing school system identified in accordance with Article
10 6A of this Chapter or is on warning status as defined by the State Board
11 of Education. In lieu of teaching in the public school, a recipient may
12 elect to pay in cash the full amount of scholarship loans received plus
13 interest then due thereon or any part thereof that has not been canceled
14 by the State Board of Education by reason of teaching service rendered.

- 15 (6) If any recipient of a scholarship loan dies during the period of
16 attendance at a college or university under a scholarship loan or before
17 the scholarship loan is satisfied by payment or teaching service, any
18 balance shall be automatically canceled.

19 If any recipient of a scholarship loan fails to fulfill the recipient's
20 obligations under subdivision (4) of this section, other than as provided
21 above, the amount of the loan and accrued interest, if any, shall be due
22 and payable from the time of failure to fulfill the recipient's obligations.

- 23 (7) The State Superintendent of Public Instruction shall award scholarship
24 loans with due consideration to factors and circumstances such as
25 aptitude, purposefulness, scholarship, character, financial need, and
26 geographic areas or subjects of instruction in which the demands for
27 teachers are greatest. Since the primary purpose of this Article is to
28 attract worthy young people to the teaching profession, preference for
29 scholarship loans, except for the scholarship loans from funds
30 earmarked for teacher assistants, shall be given to high school seniors in
31 the awarding of scholarships. In awarding scholarship loans from funds
32 earmarked for teacher assistants, preference shall be given to applicants
33 who have already earned a baccalaureate degree or who have been
34 formally admitted to an approved teacher education program in North
35 Carolina."

36 Sec. 2. This act is effective upon ratification. The amendments to G.S. 115C-
37 471(2) contained in Section 1 of this act apply only to scholarship loan agreements
38 entered into after the effective date of this act.